United Nations ECE/CTCS/2018/2

Economic and Social Council

Distr.: General
9 May 2018

Original: English

Economic Commission for Europe

Steering Committee on Trade Capacity and Standards

Fourth session
Geneva, 3-4(am) May 2018

Report of the Steering Committee on Trade Capacity and Standards on its fourth session

I. Overview

1. The fourth session of the Steering Committee on Trade Capacity and Standards was held from 3 to 4(am) May 2018.

2. The first day was dedicated to discussing the results of the United Nations Economic Commission for Europe (ECE) study on regulatory and procedural barriers to trade in Georgia. Ongoing and planned reforms in Albania, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan were discussed, including follow-up to the recommendations from ECE assessment studies carried out in these countries. In addition, delegates were briefed about on-going and planned reforms in Armenia, Georgia and Serbia, where similar studies would be undertaken over the course of 2017-2019.

3. The second day featured discussions on the programmes of work for the Steering Committee and its subsidiary bodies.

4. Presentations and speeches delivered during the session can be found on the ECE website.[1]

II. Attendance

5. Representatives from the following ECE member States attended the meeting: Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Georgia, Greece, Kazakhstan, Kyrgyzstan, Luxembourg, Moldova (Republic of), the Russian Federation, Serbia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland and Uzbekistan.

[1] http://www.unece.org/sctcs2018

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6. A representative of the United Nations Conference on Trade and Development (UNCTAD) attended the meeting.

7. The following non-governmental organization with a consultative status with the United Nations Economic and Social Council also attended the session: International Electrotechnical Commission (IEC), International Organization of Legal Metrology (OIML).

8. The representative of the European Union and its member countries attended the meeting.

9. Representatives from the Organization for Security and Cooperation in Europe (OSCE) attended the meeting.

10. A representative of the Georgian Technical University and the Institute of Metrology (Georgia) attended the meeting upon the invitation of the secretariat.

III. Agenda item 1. Adoption of the agenda

11. The Chair opened the meeting and invited the Director of the ECE Economic Cooperation and Trade Division to give her welcoming remarks.

12. The Chair presented the annotated provisional agenda (ECE/CTCS/2018/1).

Decision 2018-1

The Steering Committee on Trade Capacity and Standards adopted the agenda of its fourth session.

A. General segment

IV. Agenda item 2. Matters arising

13. The secretariat presented the Secretary General's paper on "Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet" (A/72/684), and informed member States that all United Nations work would be geared towards helping countries to achieve the Sustainable Development Goals. The seventieth anniversary session of ECE had made a similar decision, requesting the secretariat to develop a collective vision of the future of the region on the path towards sustainable development. The Steering Committee should take these documents as guidance for streamlining their work towards the Sustainable Development Goals.

Decision 2018-2

The Steering Committee took note of the matters arising and requested the secretariat and the Bureau to keep delegations informed of further developments.

V. Agenda item 3. Improving the Steering Committee on Trade Capacity and Standards' delivery on the 2030 Agenda

14. During the third session of the Steering Committee, member States requested the secretariat to report on progress made in extending the scope of the evaluation methodology

used in its studies on regulatory and procedural barriers to trade to capture the impact of non-tariff measures on the achievement of Sustainable Development Goals.

15. To ensure prompt responsiveness and proper addressing of the multifaceted and the cross-cutting nature of the Sustainable Development Goals, the Chair decided to review the activities under the Steering Committee in terms of their consistency with the level of ambition of the 2030 Agenda.

16. The outcome of the review is reflected in documents ECE/CTCS/2018/3 "Improving the Economic Commission for Europe Steering Committee on Trade Capacity and Standards delivery on the 2030 Agenda: Concept note", and ECE/CTCS/2018/4 "Terms of Reference for of Reference for the Steering Committee on Trade Capacity and Standards (Steering Committee)", which were prepared by the Chair in cooperation with the Bureau of the Steering Committee.

17. The Chair noted that the Terms of Reference in document ECE/CTCS/2018/4 had been revised to allow the Steering Committee to support the achievement of the Sustainable Development Goals (paragraph 3, with the changes presented in italics) and to take into account the ECE Executive Committee decision concerning the organization of the Steering Committee meetings (paragraph 5, with the changes presented in italics).

18. The representative of the European Union and its member countries noted that the European Union and its member countries considered the terms of reference as self-contained and suggested that paragraph 3 of the Terms of Reference (ECE/CTCS/2018/4) should read as follows: "Review the results of demand-driven studies (financed by extra-budgetary resources) that identify procedural and regulatory barriers to trade in member States in coordination and cooperation with other relevant international organizations. Capacity building and technical assistance activities to help countries in the region to implement standards developed under the subprogramme may be decided in accordance with point 18(a) of Commission Decision A(65). Support the achievement of the sustainable development goals (SDGs) 8 and 9."

19. The European Union and its member countries suggested that the Steering Committee should take note of the concept note (document ECE/CTCS/2018/4) and that the bureau further elaborate the proposals listed in the document.

Decision 2018-3

The Steering Committee approved the revised terms of reference in document ECE/CTCS/2018/4, with the suggestions of the European Union and its member countries. The terms of reference incorporating these suggestions will be published as an annex to the report of the fourth session of the Steering Committee. It took note of the Chair's paper ECE/CTCS/2018/4, and requested the bureau to take into account the proposals made by the European Union and its member countries when preparing a programme of work for its fifth session.

B. High-level segment: Removing regulatory and procedural barriers to trade in the Economic Commission for Europe region

VI. Agenda item 4. Supporting the removal of regulatory and procedural barriers to trade

(a) Georgia: Findings and recommendations

20. The secretariat introduced the Study on Regulatory and Procedural Barriers to Trade in Georgia, which had been conducted over the course of October 2017 to January 2018 with financing from the United Nations Development Account. The study brought forward growth bottlenecks stemming from regulatory and procedural trade measures, using the ECE comprehensive survey-based evaluation methodology. It also provided action-oriented recommendations, which addressed immediate and long-term capacity building needs for removing the regulatory and procedural trade barriers identified in the study.

21. The Deputy Minister of Economy and Sustainable Development of Georgia highlighted ongoing trade reforms and development efforts in the country. The secretariat introduced the evaluation methodology that had been used in the study. The representatives of the following agencies presented ongoing reforms: Revenue Service; Transport and Logistics Development Policy Department; Ministry of Economy and Sustainable Development; Ministry of Environmental Protection and Agriculture; Georgian National Agency for Standards and Metrology; and Enterprise Georgia.

22. The representative of Azerbaijan thanked the Georgian delegation for their presentations. She noted that her Government attached special importance to the experience of Georgia. Azerbaijan considered Georgia as a strategic trade partner and wished to know the main reason that compelled the Government to request the study. The Deputy Minister of Economy and Sustainable Development explained that the Government had requested the study in order to identify shortfalls and gaps that needed to be addressed to ensure successful compliance with the EU *Acquis Communautaire*. The recommendations were important for further steps and to inform discussions with development partners. Georgia also stood ready to share its experience with other ECE member States in implementing their reforms in the areas of trade facilitation, standardization, conformity assessment and metrology.

23. The secretariat noted that the study would be published on the ECE website in June 2018, and that the secretariat would work with the Government, its development partners and donor agencies to support the successful implementation of the recommendations.

24. The representative of IEC provided an overview of ongoing initiatives of relevance to ECE member States and Georgia as it would forge ahead in implementing the recommendations emerging from the study. He noted the fruitful cooperation with ECE in the development of the ECE Sectoral Initiative on Equipment for Explosive Environments, and expressed the wish of the IEC to see this cooperation extended to cover other areas, including global security.

25. The representative of OIML briefed the delegates of ongoing initiatives of relevance to ECE member States. He noted that the network on metrology, accreditation and standardization for developing countries had developed a common definition of quality infrastructure, which could be used by the Government in conceptualization and future development initiatives. He invited Georgia to maximise the benefits by working with OIML and increase its participation in the technical work. Georgia should also become a full member of OIML, he suggested, so that it could enjoy voting rights.

Decision 2018-4

The Steering Committee took note of the agreed upon recommendations for removing regulatory and procedural barriers to trade in Georgia contained in document ECE/CTCS/2018/5. It invited the secretariat to support the Government of Georgia in implementing the recommendations made, depending on the availability of resources, and requested the Government of Georgia to report back to the Steering Committee at the fifth session in 2019.

(b) On-going work

26. The representative of Armenia informed the Steering Committee on progress made in carrying out the study on regulatory and procedural barriers to trade in the country, which started in October 2017. The secretariat had already carried out the traders' survey, and was in the process of conducting follow-up work to ensure due diligence. The interviews with relevant State agencies and market support institutions as well as with the female owned enterprises would be conducted during the second half of 2018. The recommendations would be used by the Government to address capacity shortfalls throughout the international supply chain and to strengthen regional cooperation. The representative of Armenia also briefed the Steering Committee on ongoing reforms in the areas of trade facilitation and conformity assessment.

27. The secretariat was in discussion with Serbia for launching the study on regulatory and procedural barriers to trade using the extended evaluation methodology. The representative of Serbia briefed the Steering Committee on ongoing trade reforms, including efforts to accede the World Trade Organization. The Government had already established a national trade facilitation committee to implement reforms aimed at removing regulatory and procedural barriers to trade.

Decision 2018-5

The Steering Committee took note of the requests for studies on regulatory and procedural barriers to trade received by the secretariat and the related funding plans. It requested the secretariat to carry out the studies, depending on the availability of resources, and report back to the Steering Committee at its fifth session in 2019.

VI. Agenda item 5. Country follow-up to ECE studies on regulatory and procedural barriers to trade

28. The representative of Albania informed the delegates that the European Union Council had decided to open the accession negotiations with Albania, and the Government hoped that this would be done at the next Council meeting, in June 2018, in Sofia. These developments reflected the new wave of trade reforms implemented over the past year, including the implementation of the recommendations emerging from the ECE study. The Government had implemented a number of the ECE recommendations in the areas of customs modernization, cross border trade and conformity assessment. The Government had requested the secretariat to integrate the remaining recommendations into the country's national plan for the implementation of Sustainable Development Goals. The recommendations were also useful as the Government would commence its accession negotiations to join the European Union.

29. The representative of Belarus informed the Steering Committee that the Government was implementing a multi-faceted reform effort to consolidate a paperless trading system. This work was being undertaken in a manner that was compliant with the requirements of the WTO Agreement on Trade Facilitation Agreement and the Eurasian Economic Union

decision on the establishment of a regional Single Window facility, and the United Nations Centre for Trade Facilitation and Electronic Business classification of paperless trade. The Government had undertaken a gap analysis of capacity shortfalls in the existing information communication technology infrastructure, including the legislative framework, institutional capacity and expertise skills. The results of the gap analysis served as a basis for the detailed action plan for establishing the paperless trading system. The Government still needed to decide on the information technology solutions, legislation and institutional structures for supporting the establishment of this system.

30. The representatives of Kazakhstan and Kyrgyzstan reported that they had established respective national databases of national non-tariff measures using the Multi-Agency Support Team international classification system with the support of ECE and UNCTAD. In addition to fostering transparency, this database would serve as a tool for monitoring the removal of regulatory and procedural trade barriers.

31. The presentative of the Republic of Moldova presented their National Action Plan for Trade Facilitation, which had been adopted in December 2017 pursuant to Government Decision No. 1065. The Plan integrated the recommendations emerging from the ECE study that had been conducted in 2017, and comprised ninety-one actions divided into thirty five thematic chapters. It would be implemented by fourteen State agencies with the support of the National Trade Facilitation Committee.

32. The representative of Tajikistan briefed the Steering Committee about recent development efforts, which sought to: (i) align customs regulations with internationally recognized rules; (ii) modernize and automate customs administrative procedures; (iii) strengthen customs points with modern facilities and equipment; and, (iv) foster regional cooperation in the areas of customs and transport.

Decision 2018-6

The Steering Committee took note of the following reports:

- ECE/CTCS/2018/6 Follow-up on Economic Commission for Europe countries studies: Republic of Moldova
- ECE/CTCS/2018/7 Follow-up on Economic Commission for Europe countries studies: Kazakhstan
- ECE/CTCS/2018/8 Follow-up on Economic Commission for Europe countries studies: Kyrgyzstan
- ECE/CTCS/2018/9 Regulatory and procedural barriers to trade: Evidence from Economic Commission for Europe national studies

The Steering Committee took note of the reports presented by countries where ECE studies on regulatory and procedural barriers to trade had been completed. It requested the secretariat to support these countries' efforts to implement the recommendations emerging from the ECE studies, depending on the availability of resources, and report back to the Steering Committee at its fifth session in 2019.

C. Continuation of the General Segment

VII. Agenda item 6. Programme of work

(a) Updates from subsidiary bodies

33. The secretariats of the Working Party on Regulatory Cooperation and Standardization Policies (Working Party 6) and the Working Party on Agricultural Quality Standards (Working Party 7) briefed the delegates on on-going and future activities. They also invited experts from ECE member States to participate in regional training activities and formal sessions, which would be organized in 2018-2019.

Decision 2018-7.1

The Steering Committee took note of the reports of the two Working Parties, ECE/CTCS/WP.6/2017/2 (Working Party 6) and ECE/CTCS/WP.7/2017/2 (Working Party 7). It endorsed the decisions made by the Working Parties and their programme of work for 2018-2019 and invited them to report to its fifth session.

(b) Capacity-building and technical assistance activities

34. The Regional Advisor of the ECE Division of Economic Cooperation and Trade reported on ongoing and future capacity building and technical assistance activities (ECE/CTCS/2018/10). The secretariat invited delegates to take note of the relevant sections of the Trade Subprogramme's report on capacity-building and technical assistance activities. The secretariat also noted that sections implemented by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) were for information only.

Decision 2018-7.2

The Steering Committee took note of the report of the secretariat (ECE/CTCS/2018/10) and thanked the secretariat for carrying out demand-driven support to implement ECE's trade related norms, standards and best practices. The Steering Committee invited the secretariat to report on new developments to its fifth session.

(c) Cooperation with other organizations and Economic Commission for Europe bodies

35. The secretary to the Steering Committee also drew attention to the report on the trade subprogramme's collaboration with other organizations and ECE bodies (ECE/CTCS/2018/11). He informed the delegates that the ECE Committee in Innovation, Competitiveness and Public- Private Partnerships on-going and planned activities are contained in the Committee's report from its eleventh session (ECE/CECI/2018/2).

36. UNCTAD briefed the Steering Committee on its cooperation with the ECE in helping Kazakhstan and Kyrgyzstan establish respective national databases of non-tariff measures using the Multi-Agency Support Team international classification system. He invited the ECE to participate along with other Regional Commissions in implementing an UNCTAD led inter-regional United Nations Development Account project for supporting the removal of non-tariff barriers. UNCTAD looked forward to working with the ECE on the upcoming project, and appreciated its readiness to adapt its methodology, which complements UNCTAD's work. ECE considers the daily trade and development dynamics, and highlights the policy implications, while UNCTAD takes the analysis a step further by highlighting macro policy issues and relations of inter-dependence.

37. The Secretary of UN/CEFACT briefed the Steering Committee about ongoing and future activities (ECE/TRADE/C/CEFACT/2018/2). The Director of the ECE Economic Cooperation and Trade Division invited member States to participate in the work of UN/CEFACT, particularly in the development of the standards, recommendations and guidelines.

Decision 2018-7.3

The Steering Committee took note of the report of the secretariat (ECE/CTCS/2018/11). It endorsed the report and thanked the secretariat for cooperating with other bodies within and outside the ECE to avoid duplication and invited the secretariat to report to its fifth session.

(d) Stakeholder needs and priorities

38. The secretary of the Steering Committee that the study on Georgia will be published shortly. The secretariat is undertaking a study on Armenia and will initiate the study on Serbia shortly. The secretariat continues to negotiate further studies with member States.

Decision 2018-7.4

The Steering Committee took note of stakeholder needs and priorities expressed by the representatives of different governments and requested the secretariat to make efforts to address these priorities in national studies and follow-up activities. The Steering Committee also requested the Bureaux of the two Working Parties, in cooperation with the secretariat, to take these priorities into account as part of their work and to report to the fifth session.

(e) Trade subprogramme biennial evaluation report for 2016-2017

39. The secretary to the Steering Committee introduced the report on the Trade Subprogramme's biennial evaluation report for 2016-2017 (ECE/CTCS/2018/12).

Decision 2018-7.5

The Steering Committee endorsed the biennial evaluation report on the 2016-2017 Programme of Work (ECE/CTCS/2018/12).

(f) Trade subprogramme's strategic framework for 2020-2021

40. The Secretary to the Steering Committee noted that in December 2017, the seventy-second session of the General Assembly adopted resolution A/72/266 "Shifting the management paradigm in the United Nations." Under the terms of this resolution, Member States approved the main elements of the Secretary-General's budget reform proposals contained in his report "Shifting the management paradigm in the United Nations: improving and streamlining the programme planning and budgeting process" (A/72/492/Add.1).

41. In particular, the General Assembly approved the proposed change from a biennial to an annual budget cycle on a trial basis beginning in 2020 (ECE/CTCS/201814). The proposed Strategic Framework for the biennium 2020-2021 (ECE/CTCS/2018/13) was prepared to ensure continuity of work.

Decision 2018-7.6

The Steering Committee reviewed the proposed Strategic Framework for the biennium 2020-2021 (ECE/CTCS/2018/13) and noted that in light of recent management reforms proposed by the Secretary-General and adopted by the General Assembly, this document

will be superseded by a new programme plan and annual budget for 2020. To ensure continuity of work, the Steering Committee endorsed the broad areas outlined in the draft document and requested (a) the secretariat to monitor closely the forthcoming changes to the programmatic framework and report back to the Steering Committee at its fifth session, (b) its subsidiary bodies to work closely with the secretariat to ensure timely and coherent adaptation of current methods of work

VII. Agenda Item 7. Other business

Decision 2017-8

The Steering Committee decided to hold its fifth Session on 9-10 May 2019 subject to the availability of meeting rooms.

VIII. Agenda item 8. Adoption of the report

Decision 2017-9

The Steering Committee adopted the report of its fourth session and requested the secretariat to translate it into French and Russian and publish it on the ECE website. The Steering Committee requested the Bureau and the secretariat to implement the decisions made and to report to its fifth annual session.

Annex

Terms of Reference of the Steering Committee on Trade Capacity and Standards

The Steering Committee on Trade Capacity and Standards (hereinafter referred to as the "Steering Committee") is an intergovernmental body that oversees and guides the development of international norms and standards, procedures and best practices that reduce the costs associated with export and import processes and increase the efficiency, predictability and transparency of trade regulations and procedures and the movement of goods and services.

The Steering Committee shall:

1. Review and endorse standards and recommendations developed by the Working Party on Regulatory Cooperation and Standardization Policies (Working Party 6) and the Working Party on Agricultural Quality Standards (Working Party 7).

2. Draft the programme of work on trade capacity and standards and review and endorse the work plans of Working Party 6 and Working Party 7, and recommend these to the ECE Executive Committee for approval.

3. Review the results of demand-driven studies (financed by extra-budgetary resources) that identify procedural and regulatory barriers to trade in member States in coordination and cooperation with other relevant international organizations. Capacity building and technical assistance activities to help countries in the region to implement standards developed under the subprogramme may be decided in accordance with point 18(a) of Commission Decision A(65). Support the achievement of the sustainable development goals 8 and 9 by reviewing the systemic issues emerging from the studies and the regulatory work of Working Party 6 and Working Party 7.

4. Liaise and coordinate its work with other ECE committees and relevant subsidiary bodies, in particular the Committee on Innovation, Competitiveness and Public-Private Partnerships and coordinate its work with other relevant United Nations programmes and agencies, as well as other relevant organizations and stakeholders and international standards-setting organizations in order to achieve synergies and to avoid possible overlap and duplication.

5. Meet once a year for a maximum of 1½ days in a session that is open to all relevant international organizations and other stakeholders and held, as feasible, back-to-back with the annual session of either Working Party 6 or Working Party 7.

6. Elect its own Bureau, which includes the Chairs of Working Party 6 and Working Party 7 as ex officio members.

7. Report to the Executive Committee.

8. Operate under the ECE Rules of Procedure and the Guidelines on procedures and practices for ECE bodies, as agreed in Commission Decision A(65).